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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

3M INNOVATIVE PROPERTIES	)	CV 10-00521-RSWL (JCx)
COMPANY, a Delaware	)	
corporation, 3M UNITEK	)	
CORPORATION, a California	)	<b>ORDER Re: Plaintiffs'</b>
corporation, and 3M	)	<b>Motion to Enforce the</b>
COMPANY, a Delaware	)	<b>Consent Judgment [16]</b>
corporation,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
	)	
TP ORTHODONTICS, INC., an	)	
Indiana corporation,	)	
	)	
Defendant.	)	
	)	

On January 4, 2011, Plaintiffs' Motion to Enforce the Consent Judgment [16] came on for regular calendar before this Court. The Court, having reviewed all papers submitted pertaining to this Motion and having considered all arguments presented to the Court, **NOW FINDS AND RULES AS FOLLOWS:**

The Court hereby **DENIES** Plaintiffs' Motion to Enforce the Consent Judgment Order.

1 I. Background

2 On September 20, 1994, Plaintiffs 3M Innovative  
3 Properties Company, 3M Unitek Corporation, and 3M  
4 Company (hereinafter, "Plaintiffs") were issued United  
5 States Patent No. 5,348,154 (hereinafter, "the 154  
6 Patent"). The 154 Patent is directed to orthodontic or  
7 dental appliances that are coated with curable or tacky  
8 material and the packaging of these appliances. The  
9 154 Patent also discloses a kit with a tray-based  
10 package designed to provide organization and storage of  
11 sets of these appliances.

12 Claim 1 of the 154 Patent is comprised of four  
13 elements, and provides as follows: an article  
14 comprising a) "a tray having at least two holes," b)  
15 "at least two substrates each having only one well with  
16 an opening only at the top thereof and a top surface  
17 that is removably retained in the hole of the tray," c)  
18 "a lid releasably attached to the top surface thereof,"  
19 and d) "an orthodontic appliance having a tacky  
20 substance on an exterior surface" positioned in such a  
21 way that it does not separate from the appliance upon  
22 removal from the well. [Pls.' Corrected Compl. Ex. A.]  
23 Elements a and b are specifically at issue here in this  
24 Motion.

25 On January 25, 2010, Plaintiffs filed a Complaint  
26 against Defendant TP Orthodontics, Inc, (hereinafter,  
27 "Defendant") alleging a cause of action for Patent  
28 Infringement [1]. Plaintiffs filed a Corrected

1 Complaint for Patent Infringement on January 26, 2010,  
2 claiming that Defendant's product, the Invu with Read-  
3 Base Pre-Applied Adhesive kit (hereinafter, "Invu  
4 Kit"), infringed on one or more claims of the 154  
5 Patent [6].

6 On May 7, 2010, the Parties filed a Stipulation to  
7 Entry of Consent Judgment [13]. This Stipulation  
8 stated that the Parties had agreed to settle all claims  
9 in this Action, and requested that the Court enter the  
10 Consent Judgment Order filed with this Stipulation.

11 On May 13, 2010 this Court entered the Consent  
12 Judgment Order [14]. In this Order, the Court stated  
13 that Plaintiffs had exclusive license in the 154  
14 Patent, and that Defendant acknowledged and agreed it  
15 had infringed on the 154 Patent in manufacturing,  
16 using, offering for sale and selling the Invu Kit as  
17 articles that incorporate every element of claims of  
18 the 154 Patent, in violation of 35 U.S.C. § 271.

19 [Consent Judgment Order 2.] Accordingly, the Court  
20 issued a permanent injunction against Defendant,  
21 enjoining Defendant from making, using, offering to  
22 sell, selling or importing into the United States any  
23 articles that infringe on the 154 Patent. [Id.] This  
24 Court retained jurisdiction for purposes of enforcing  
25 the terms of the Consent Judgment and Settlement  
26 Agreement. [Id.]

27 After this Order was issued, Defendant began  
28 marketing and selling a new, modified Invu Kit

1 (hereinafter, "current Invu Kit") that is thermoformed  
2 from a sheet of plastic and now consists of two  
3 elongated, open-ended channels or slots. [Decl.  
4 Intagliata ¶¶ 3,9.] Each channel includes a bottom  
5 wall and two upstanding walls. According to Defendant,  
6 one of these walls includes "pod positioning ridges to  
7 assist in locating each pod according to the prescribed  
8 tooth position," and the bottom of each hole contains a  
9 layer of sticky material that assists in holding an  
10 inserted pod in place. [Def.'s Opp. 5-6]

11 On December 3, 2010, Plaintiffs filed this present  
12 Motion, arguing the modified device still infringes on  
13 the 154 Patent [16].

## 14 II. Analysis

### 15 A. Legal Standard

16 If a patent owner is "confronted with another  
17 possible infringement by [the enjoined infringer] in  
18 the form of a modified device," the patent owner can  
19 "seek to invoke the power of the court to punish the  
20 adjudged infringer for contempt in violating the  
21 court's injunctive order." KSM Fastening Sys., Inc. v.  
22 H.A. Jones Co., Inc., 776 F.2d 1522, 1524 (Fed. Cir.  
23 1985).

24 However, the Federal Circuit has held that before  
25 the district court can make a finding that the party is  
26 in "contempt of an injunction in a patent infringement  
27 case, [the court] must address two separate questions."  
28 Abbott Labs. v. TorPharm, Inc., 503 F.3d 1372, 1380

1 (Fed. Cir. 2007)(citing KSM Fastening Sys., Inc., 776  
2 F.2d at 1532).

3 First, the court must determine "whether a contempt  
4 hearing is an appropriate forum in which to determine  
5 whether a redesigned device infringes, or whether the  
6 issue of infringement should be resolved in a separate  
7 infringement action." Additive Controls & Measurement  
8 Sys., Inc. v. Flowdata, Inc., 154 F.3d 1345, 1349 (Fed.  
9 Cir. 1998). In order to do so, the court must compare  
10 the accused, modified device with the original,  
11 infringing device in light of the patent claims at issue  
12 in the action. See Tivo Inc. v. Dish Network Corp., 640  
13 F. Supp. 2d 853, 869 (E.D. Tex. 2009).

14 A contempt hearing is only appropriate if the  
15 differences between these two devices are merely  
16 colorable. Additive Controls & Measurement Sys., Inc.,  
17 154 F.3d at 1349. Differences are more than colorable  
18 when there are "substantial open issue[s] with  
19 respect to [the modified device's] infringement." KSM  
20 Fastening Sys., Inc., 776 F.2d at 1532. When this is  
21 the case, "the presence of such disputed issues creates  
22 fair doubt that the decree has been violated," and a  
23 determination as to whether a party is in contempt due  
24 to the modified device's possible infringement is  
25 inappropriate. Id. However, if the court finds that  
26 the modified device represents no more than a colorable  
27 change from the infringing device, contempt proceedings  
28 are appropriate and the court can proceed to the second

1 step: the contempt hearing itself. Id.

2       The second step requires a comparison between the  
3 modified device and the patent claims to determine if  
4 those products do in fact infringe on the original,  
5 patented device. See id. The patent owner, as the  
6 movant, "must show by clear and convincing evidence that  
7 the modified device falls within the admitted or  
8 adjudicated scope of the claims and is, therefore, an  
9 infringement." Arbek Mfg., Inc. v. Moazzam, 55 F.3d  
10 1567, 1569 (Fed. Cir. 1995). However, the patent owner  
11 must show that the modified device contains "merely  
12 'colorable' changes of the infringing [device]." Id. at  
13 1525. Therefore, "[e]ven if the [modified] product may  
14 infringe the patent, as long as it is more than  
15 'colorably different' the infringement should not amount  
16 to a contempt nor should it be tested in contempt  
17 proceedings." Siebring v. Hansen, 346 F.2d 474, 477  
18 (8th Cir. 1965).

19       B. Plaintiffs' Motion

20       Plaintiffs argue Defendant is in violation of the  
21 Consent Judgment Order because Defendant's current Invu  
22 Kit, though modified from the original, infringing Invu  
23 Kit, still infringes on each element of Claim 1 of the  
24 154 Patent. Specifically, Plaintiffs assert that the  
25 channels in the current Kit still constitute "holes"  
26 within the meaning of Claim 1 of the 154 Patent, and  
27 that the substrates or pods in the current Kit are still  
28 removably retained by these "holes." Plaintiffs contend

1 Defendant is therefore in violation of the permanent  
2 injunction issued in the Consent Judgment Order, and  
3 request that the Court find Defendant to be in civil  
4 contempt as a result of this violation.

5 Defendant in turn contends that the current Invu  
6 Kit does not violate the Consent Judgment Order, because  
7 it is structurally and functionally distinct from the  
8 first, infringing Invu Kit. Defendant argues that the  
9 current Invu Kit does not infringe on every element of  
10 Claim 1 of the 154 Patent, as it does not include any  
11 "holes" because the two elongated open-ended channels  
12 with ridges on the sides cannot be considered "holes"  
13 within the meaning of Claim 1 of the Patent. Defendant  
14 also argues that the substrates or pods in the current  
15 Invu Kit are not removably retained by any sort of hole  
16 in violation of Claim 1 of the 154 Patent, as the  
17 substrates or pods in the current Invu Kit are now held  
18 in place by an adhesive that is applied to the bottom of  
19 the channel in order to aid in the retention of the  
20 substrates or pods.

21 The Court finds that based on the test set forth by  
22 the Federal Circuit in KSM Fastening Systems, Inc. v.  
23 H.A. Jones Company, Inc., this Motion is not the  
24 appropriate forum in which to determine whether  
25 Defendant's current Invu Kit infringes on Plaintiffs'  
26 154 Patent.

27 When applying the first step of the KSM Fastening  
28 Systems, Inc., test, a comparison of the current Invu

1 Kit with the original, infringing Invu Kit in light of  
2 the Claim 1 elements of the 154 Patent supports a  
3 finding here that the differences between these two  
4 products are more than colorable, as "substantial open  
5 issues" exist with respect to whether the current Invu  
6 Kit infringes on the 154 Patent. KSM Fastening Sys.,  
7 Inc., 776 F.2d at 1532. As such, this type of a  
8 proceeding is inappropriate, and the issue of  
9 Defendant's alleged infringement with respect to the  
10 current Invu Kit should be resolved in a separate  
11 infringement action.

12 Specifically, Defendant has redesigned its product  
13 so that the current Invu Kit now has elongated, shallow  
14 channels that run the length of the tray instead of the  
15 square cut outs or holes that were present in the  
16 original, infringing Invu Kit. The current Invu Kit  
17 also now contains adhesive on the bottom of these  
18 channels to keep the substrates or pods in place in an  
19 attempt to avoid the substrates or pods from being  
20 removably retained in the current Invu Kit. Although  
21 some similarities still exist between the two Kits, the  
22 fact that Defendant redesigned the tray to contain these  
23 different elements supports a finding here that the  
24 differences between the two Kits are more than colorable  
25 and raise substantial open issues of infringement. See  
26 Arbek Mfg., Inc., 55 F.3d at 1570.

27 Moreover, the Court finds that expert and other  
28 testimony would be helpful here in determining whether



1 the current Invu Kit infringes on all the elements of  
2 Claim 1 of the 154 Patent, as it is unclear at this  
3 juncture whether the current Invu Kit is a tray having  
4 at least two "holes" with the substrates or pods being  
5 removably retained in one of these alleged holes in the  
6 tray. See id. (noting that "[t]he modifying party  
7 generally deserves the opportunity to litigate the  
8 infringement question at a new trial, particularly if  
9 expert and other testimony subject to cross-examination  
10 would be helpful or necessary.") Neither Party has  
11 submitted sufficient evidence or expert testimony to  
12 enable the Court to make a determination as to these  
13 issues, and therefore factual issues remain as to  
14 whether Defendant's current Invu Kit infringes on the  
15 154 Patent. See Liquid Dynamics Corp. v. Vaughn Co.,  
16 Inc., 2008 WL 4643428, \*3-5 (N.D. Ill. 2008).

17 Accordingly, the differences between the current  
18 Invu Kit and the original, infringing Invu Kit are more  
19 than colorable here, as substantial open issues of  
20 infringement are present. Therefore, the Court finds  
21 that this Motion is not the appropriate forum in which  
22 to determine whether Defendant's current Invu Kit  
23 infringes on the 154 Patent, in violation of the Consent  
24 Judgment Order.

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1	III.	<u>Conclusion</u>
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2 For the reasons heretofore stated, the Court **DENIES**  
3 Plaintiffs' Motion to Enforce the Consent Judgment  
4 Order.

5 || IT IS SO ORDERED.

6 DATED: January 11, 2011

RONALD S.W. LEW

HONORABLE RONALD S.W. LEW

Senior, U.S. District Court Judge